

New Markets for Renewable Energy

Renewable Energy Credit Trading Opportunities

Natsource LLC
Nicole Fabri
Environmental Commodities Broker

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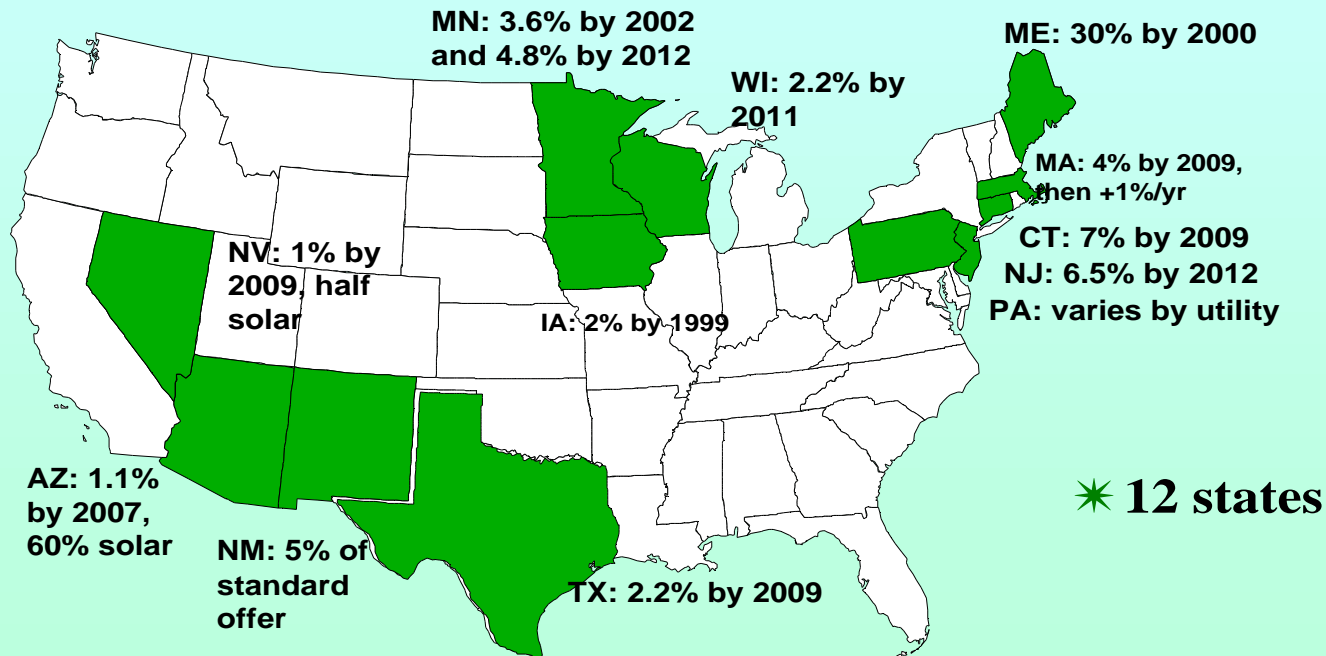
Natsource Background

- **Market leader in natural gas, electricity, coal, weather, emissions (>\$2 billion by volume in emissions transactions)**
- **Global reach: offices in New York, Washington DC, London, Houston, Calgary, Toronto, Sydney, Oslo, Tokyo**
- **Alliances and advisory functions**
 - **EU, Netherlands, UK (ETG), Canada (PERT), USA (CCAP + EMA)**
 - **Major energy and metals companies**



Union of
Concerned
Scientists

Renewable energy standards



Los Angeles: 10% of city government energy purchases starting in July 2001

Chicago: 10% of all city energy purchases in near future, 20% within 5 years

New York State: 10% of state facility energy purchases by 2005, 20% by 2010

Maryland: Goal of 6% of state facility energy purchases

*Source: Union of Concerned Scientists
website*

Mandated REC Programs

State	RPS start date	likely to trade?	Trade start date
Texas	2002	yes	late 2001
Maine	2000	yes	early 2002
Connecticut	2001	yes	early 2002
New Jersey	Jan 2001	not immediately	?
Wisconsin	2001	very possibly	?
Massachusetts	2003	yes	2003
Pennsylvania	2001/2002	not likely	?
Arizona	2001	not likely	?
New Mexico	2002	not likely	?
Nevada	2001	yes	2001/2

States with a government mandated RPS

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Voluntary REC Programs

- California
- KEFI Exchange

New Types of Companies

- Sterling Planet

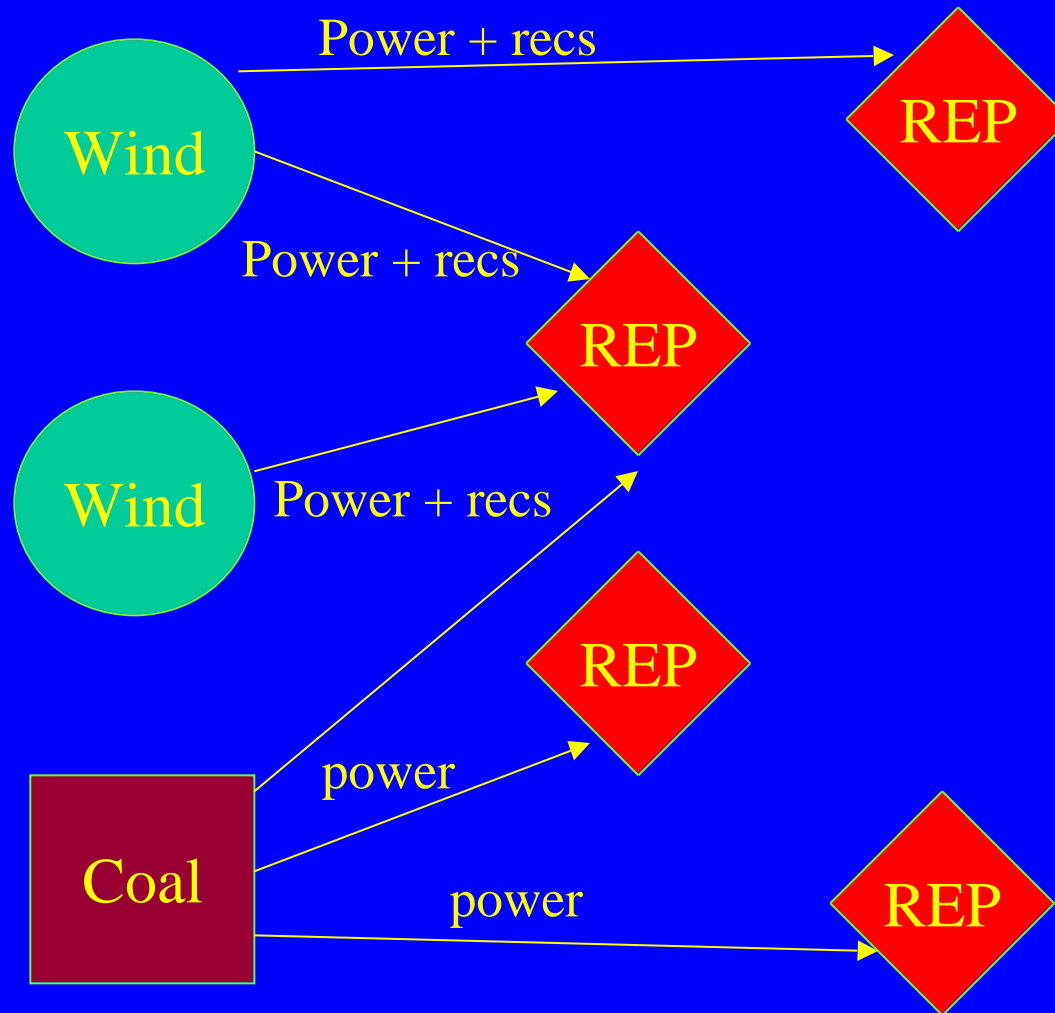
Prices & Market Fundamentals

Texas:	\$3 - \$5
California:	\$1 - \$2
NEPool & PJM:	\$3 - \$15
UK:	US\$35
Europe:	US\$2 - 4.50
Australia:	US\$15 - \$20
Japan:	??

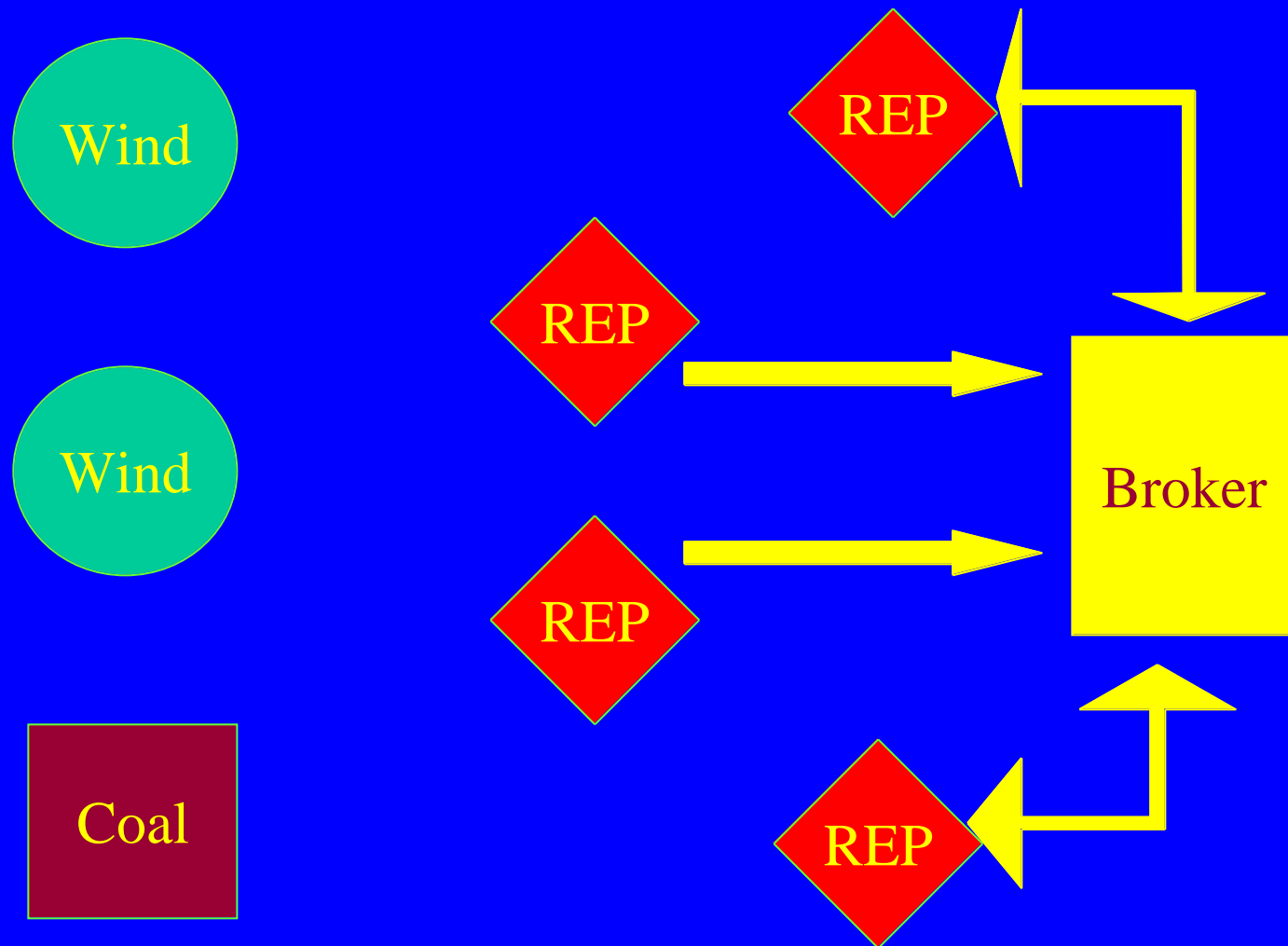
Cross-border Trade Issues

- Definition of renewable
- New vs. old installations
- Banking of certificate
- Level of government subsidy
- Certification and registration

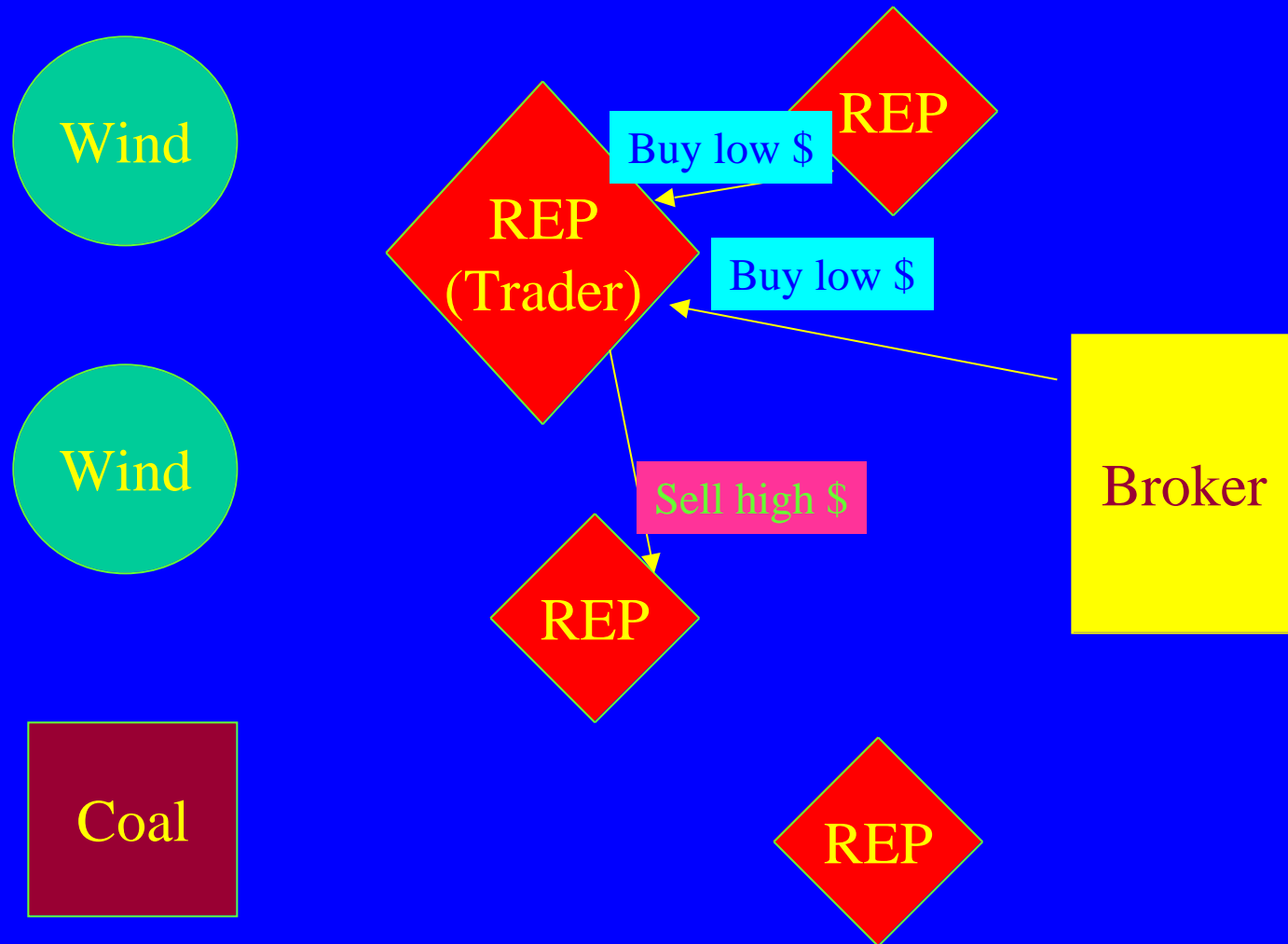
The Role of the Broker



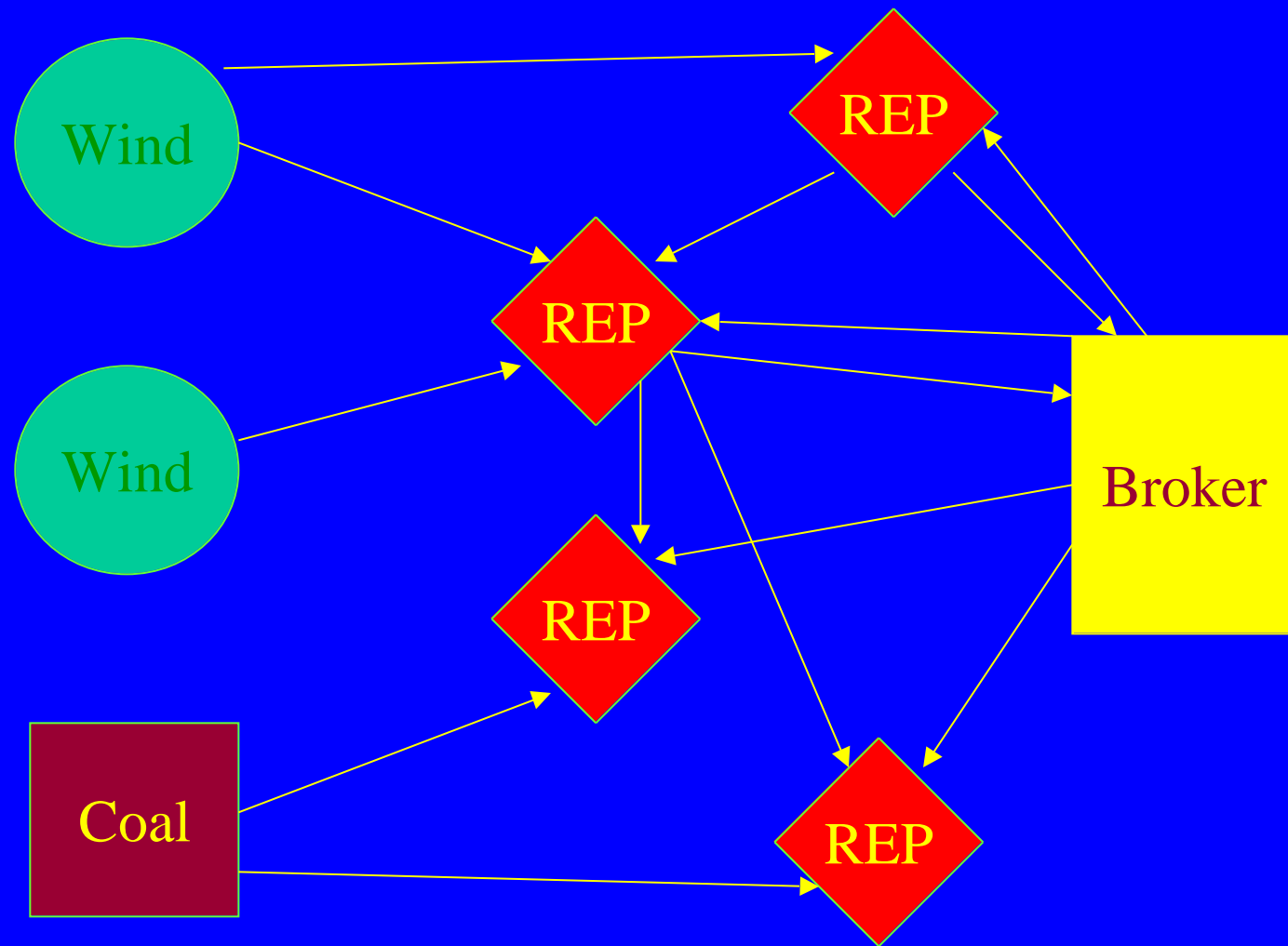
The Role of the Broker



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The Role of the Broker



How we do it

- Match buyers and sellers
- Developing transactions
 - Structuring trades
 - Incorporating risk management contingencies
- Provide price discovery
- Providing information about
 - the market
 - policy developments
 - country/company activities

Natsource

New York - London - Washington, DC - Boulder - Houston
Calgary - Toronto - Sandjeford - Oslo - Sydney - Tokyo

Nicole Fabri

Telephone: (212) 232-5305

Fax: (212) 232-5353

e-mail: nfabri@natsource.com

Web site: www.natsource.com